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IN THE

Supreme Court of the United States.

OCTOBER TERM, 1934.

Nos. 255 and 256.

ALTOONA PUBLIX THEATRES INC.,

Petitioner,

AND

WILMER & VINCENT CORPORATION AND LOCUST STREET REAL ESTATE COMPANY,

Petitioners,

vs.

AMERICAN TRI-ERGON CORPORATION AND TRI-ERGON HOLDING, A. G.,

Respondents.

REPLY BRIEF ON BEHALF OF PETITIONERS.

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We feel compelled to make the following brief reply to respondents' brief as to one of the grounds only of the petition, namely, that having to do with the respondents' disclaimers. (Petition and Brief, pp. 16 and 25.)

The Court's attention is directed to the following statement in respondents' brief (p. 21):

> "There is a general statement in the opinion of the Circuit Court of Appeals in the *Trailer* case

> [*Fruehauf Trailer Co.* vs. *Highway Co.*, 67 F. (2d) 558, C. C. A. 6th] which if read without regard to the facts in that case, may perhaps give the appearance of conflict with the decision in the case at bar. But every opinion must be read with regard to the facts of the case and the question actually decided. • • •
>
> "When the opinion in the *Trailer* case is thus read, no conflict appears. • • • General statements in an opinion going beyond the facts in the case do not raise conflicts of decisions because decision in each case is necessarily confined by the facts presented and cannot be broadened by generalities thrown out in the opinion."

It seems to us that respondents admit in substance in this statement that a conflict exists between the *decision* in the present case and "a general statement" appearing in the opinion of the Court of Appeals for the Sixth Circuit in the case relied upon.

The statement in the Sixth Circuit case, to which respondents refer, is the one quoted at page 31 of our petition which for convenience is repeated below.*

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* "The enactment of Rev. St. Sec. 4917 (35 USCA Sec. 65), was never intended to permit the revamping and rephrasing of claims to the end that they might cover structures upon which they did not before read, *or to the end that, by the addition of a new element in combination, the disclaimer might validate a claim which would otherwise be invalid under the prior art.* This is not limiting the combination already claimed; it is in effect claiming a new and a different combination (citing cases). The function of a disclaimer is well stated in the leading case of *Hailes* v. *Albany Stove Co.*, 123 U. S. 582, 587. It must cover 'a separate claim in a patent, or some other distinct and separable matter, which can be exscinded without mutilating or changing what is left standing.' It cannot be used to change the character of the invention, or, in effect, to make for the patentee a new patent. This is fundamental. • • •

"Tested by these standards, both disclaimers are invalid."

We do not think it fair to say that these statements of the experienced Court, and Judge who wrote the opinion, are "generalities thrown out in the opinion". The contrary appears from the opinion itself and also from the lower court's opinion (Tuttle, *J.*), as to which the Court of Appeals said (p. 559):

> "We quite agree with the views expressed by the learned trial judge upon the subject of the disclaimers."

That subject was thoroughly considered by Judge Tuttle, who explained at length from his own experience the great difficulties he had encountered in passing upon disclaimers of the type here involved. The unsettled and conflicting state of the law is referred to by Judge Tuttle, as follows (54 F. (2d) 691, 692):

> "In expressing my views about disclaimers, I do so because I am interested in the subject and should be glad to be helpful in solving some of the troublesome problems presented by disclaimers. There is no inclination on my part to avoid the decisions which ought to guide this court. *Every one interested in the subject of disclaimers recognizes that the law applicable thereto is still in a* **very unsettled state.** *Individual courts have not satisfied themselves as to just what are to be the final holdings upon this subject. Taking the decisions of the courts as a whole, we are still in greater confusion. Until certain questions have been definitely decided, I desire to stamp on the records that go up from my section of this court some of the dangers which I think I see in disclaimers as now used. They are becoming more and more common. They are getting to be not the unusual, but the usual, thing to find in patent suits, and, as their use becomes more common, their form is becoming extreme and complicated."*

Also, (pp. 692, 693):

> *"The Patent Office does not consider any disclaimer as to the merits of its subject-matter.* If the courts are to give approval to disclaimers which so alter the

> claim that the resulting novelty disclosed by the modified claim is never passed upon by the Patent Office, then such claims should come to the court without any presumption whatever of validity. Thus the burden rests upon the plaintiff, the proposer of a disclaimer claim in such a patent, to prove it to be valid without the assistance of any presumption in that respect. If the law is to be that such disclaimers are to be permitted, and such claims are susceptible of being held valid, then they should come to the court without any presumption of validity."

And, (pp. 693, 694):

> "Until this matter has been finally decided, I will lay down the rule for this court that, when disclaimers of the type here in suit are included in a patent and come before this court, they come to the court *without any presumption of validity of the claim to which the disclaimer applies.*"

As before stated, the Court of Appeals for the Sixth Circuit agreed with the views expressed by the lower court.

No petition for a writ of certiorari was filed in this Sixth Circuit case, with the result that this Court was not given the opportunity to settle the law as to disclaimers which these courts in the Sixth Circuit have thus recently found to be "in a very unsettled state" and said "Taking the decisions of the courts as a whole, we are still in greater confusion." The Sixth Circuit Court of Appeals has by its decision ended the abuse of the disclaimer statute in that Circuit, but the abuse continues unrestrained in other circuits, including the Second and Third Circuits, as shown by the decisions in this and the related case in the Second Circuit.

The Court of Appeals for the Sixth Circuit held as one of the grounds for the invalidity of the disclaimers there involved, that the statute "was never intended to permit the revamping and rephrasing of claims * * * to the end, that by the addition of a new element in combination,

the disclaimer might validate a claim which would otherwise be invalid under the prior art." (See 67 F. (2d), at pages 559 and 560). As shown by the petition, that is precisely what respondents did in the present case, and were upheld.

We do not see how a conflict on an important and unsettled question of law could be more sharply defined than it is between these Circuit Courts of Appeals decisions. The disclaimer ground alone warrants the granting of the writ.

Respectfully submitted,

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September, 1934.